

AMENDED IN ASSEMBLY MARCH 5, 2007

CALIFORNIA LEGISLATURE—2007–08 REGULAR SESSION

ASSEMBLY BILL

No. 111

Introduced by Assembly Member Blakeslee

January 8, 2007

An act to amend ~~Section~~ *Sections 69750, 69750.3, 69751.2, and 69751.5* of the Education Code, relating to student financial aid, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 111, as amended, Blakeslee. National Guard Assumption Program of Loans for Education: ~~operative date~~ *Education*.

Existing law establishes, commencing with the 2004–05 fiscal year, and ending with the 2006–07 fiscal year, the National Guard Assumption Program of Loans for Education, under the administration of the Student Aid Commission, to provide an incentive for persons to enlist or reenlist in the National Guard, the State Military Reserve, or the Naval Militia. *Existing law conditions eligibility for loan assumption on the applicant having received or being approved to receive a loan under specified loan programs in order to meet the costs associated with obtaining a degree or enrollment in a qualified vocational diploma program.* Persons who otherwise qualify for participation in the program, ~~and who are enrolled in, or have completed, a program of study in a qualifying vocational diploma program,~~ are eligible to receive up to \$11,000 in loan assumption payments. *Existing law provides that, in any fiscal year in which the commission determines that funding is insufficient to fully support the program, the commission shall, to the extent feasible, grant applicants who are financially needy, as indicated by a household income and asset level that is at or below the maximum set for*

participants in the Cal Grant A program, and individuals who have been called to full-time active military duty, priority for participation in the program. Existing law makes the program inoperative on July 1, 2007, and repeals it on January 1, 2008.

This bill would change the date on which the program becomes inoperative to July 1, 2010, and would change the date on which the program is repealed to January 1, 2011, thereby extending the existence of the program by 3 years.

The bill would delete a condition for eligibility for loan assumption that the applicant be enrolled in an institution of higher education or a vocational diploma program that participates in the loan assumption program. The bill would provide that only applicants who receive or are approved to receive specified subsidized student loan programs in order to meet the costs associated with enrolling in or obtaining a degree or a certificate from an accredited institution of higher education or a state-approved institution of higher education, are eligible for loan assumption.

The bill would provide that applicants who are financially needy, as indicated by the receipt of a federally subsidized student loan, as defined, by that individual rather than as indicated by the household income and asset level of that individual, have priority for participation in the program in a fiscal year when the commission determines that funding is insufficient to fully support the program.

The bill would declare that it is to take effect immediately as an urgency statute.

Vote: $\frac{2}{3}$. Appropriation: no. Fiscal committee: yes.

State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 69750 of the Education Code is amended
 2 to read:
 3 69750. Commencing with the 2004–05 fiscal year, the National
 4 Guard Assumption Program of Loans for Education is established
 5 to provide an incentive for persons to enlist or reenlist in the
 6 National Guard, the State Military Reserve, or the Naval Militia
 7 within the meaning of Section 66025.6 who seek, or who have
 8 completed, degrees at institutions of higher education within this
 9 state, ~~or who are enrolled in or have completed a program of~~
 10 ~~instruction in a vocational diploma program, as defined in Section~~

1 ~~94746, where enrollment qualifies a~~ *if the student is qualified* for
2 participation in the Federal Family Education Loan Program (20
3 U.S.C. Sec. 1071 et seq.), *the William D. Ford Federal Direct*
4 *Loan Program (20 U.S.C. Sec. 1087a et seq.),* or any loan program
5 approved by the Student Aid Commission for this purpose.

6 SEC. 2. *Section 69750.3 of the Education Code is amended to*
7 *read:*

8 69750.3. (a) A person who meets ~~all~~ *both* of the following
9 conditions is eligible to enter into an agreement for loan
10 assumption, to be redeemed pursuant to Section 69750.5:

11 (1) The applicant agrees to enlist, or reenlist, in the National
12 Guard, the State Military Reserve, or the Naval Militia.

13 ~~(2) The applicant is enrolled in an institution of higher education~~
14 ~~or a vocational diploma program, as defined in Section 94746, that~~
15 ~~participates in the loan assumption program set forth in this article.~~

16 ~~(3)–~~

17 (2) In order to meet the costs associated with *enrolling in or*
18 *obtaining a degree or enrollment in a qualified vocational diploma*
19 ~~program as defined in Section 94746~~ *or a certificate from an*
20 *accredited institution of higher education or a state-approved*
21 *institution of higher education,* the applicant has received, or is
22 approved to receive, a *subsidized* loan under one or more of the
23 following designated loan programs:

24 (A) The Federal Family Education Loan Program (20 U.S.C.
25 Sec. 1071 et seq.).

26 (B) *The William D. Ford Federal Direct Loan Program (20*
27 *U.S.C. Sec. 1087a et seq.).*

28 ~~(B)–~~

29 (C) Any loan program approved by the Student Aid
30 Commission.

31 (b) A person participating in the program pursuant to this article
32 ~~shall~~ *is not be* eligible to enter into more than one agreement under
33 this article.

34 SEC. 3. *Section 69751.2 of the Education Code is amended to*
35 *read:*

36 69751.2. In any fiscal year in which the commission determines
37 that funding for this article is insufficient to fully support this
38 program, the commission shall, to the extent feasible, grant the
39 following applicants priority for participation in the program:

(a) Individuals who are financially needy, as indicated by a household income and asset level that is at or below the maximum set for participants in the Cal Grant A program under Section 69432.7 the receipt of a federally subsidized loan by that individual among the loans referenced under paragraph (2) of subdivision (a) of Section 69750.3. As used in this subdivision, “federally subsidized student loan” means a loan that the commission identifies as a loan awarded pursuant to a federal program for which a determination of financial need was made by the awarding institution.

(b) Individuals who have been called to full-time active military duty.

~~SECTION 1.~~

~~SEC. 4.~~ Section 69751.5 of the Education Code is amended to read:

69751.5. This article shall become inoperative on July 1, 2010, and, as of January 1, 2011, is repealed, unless a later enacted statute that is enacted before January 1, 2011, deletes or extends the date on which it becomes inoperative and is repealed.

~~SEC. 2.~~

~~SEC. 5.~~ This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to extend the operation of the National Guard Assumption Program of Loans for Education until July 1, 2010, it is necessary that this act take effect immediately.